

## Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00  
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 SS-15  
NSC-05 /056 W  
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R 061646Z SEP 78

FM AMCONSUL HAMILTON  
TO SECSTATE WASHDC 2917  
INFO AMEMBASSY LONDON

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E.O. 11652: GDS

TAGS: PINT, EAIR, BD

SUBJECT: CAB DECISION ON PHILADELPHIA/BERMUDA ROUTE

1. THE SURPRISE DECISION BY THE U.S. CIVIL AERONAUTICS BOARD (CAB) TO PERMIT TWO ADDITIONAL U.S. AIRLINES TO OPERATE BETWEEN BERMUDA AND THE U.S. MAINLAND (PHILADELPHIA) WAS HEADLINED IN THE "ROYAL GAZETTE" OF AUGUST 28. NOT SURPRISINGLY, THE ANNOUNCEMENT HAS DRAWN HIGHLY NEGATIVE PUBLIC COMMENT FROM THE THREE REPRESENTATIVES OF THE U.S. CARRIERS CURRENTLY OPERATING HERE. A REPRESENTATIVE OF DELTA AIRLINES HAS SAID THAT THE APPOINTMENT OF A TOTAL OF FIVE U.S. CARRIERS ON ONE ROUTE "BOGGLED THE IMAGINATION" BECAUSE FIVE CARRIERS OPERATING ON THIS ROUTE WOULD PUT EACH OTHER OUT OF BUSINESS. THE EASTERN AIRLINES MANAGER HERE HAS ADDED THAT THE SIMULTANEOUS DESIGNATION OF FIVE AIRLINES TO A NEW ROUTE WAS, HE BELIEVED, UN-PRECEDENTED.

2. GOVERNMENT HAS ISSUED NO STATEMENT RELATED TO THE CAB DECISION. INFORMALLY I HAVE LEARNED THAT THERE IS SOME OFFICIAL CONCERN OVER THE DECISION. THE PRESENT PHYSICAL FACILITIES AT THE CIVIL AIR TERMINAL ARE REPORTEDLY INADEQUATE TO HOUSE THE ADMINISTRATIVE OFFICES OF TWO ADDITIONAL CARRIERS AND ADDITIONAL PASSENGER GATES WOULD HAVE TO BE PROVIDED. ON THE MORE SUBTLE

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LEVEL, THE DEPARTMENT OF TOURISM'S SUCCESSFUL EMPHASIS IN THE PAST HAS BEEN ON THE QUALITY OF TOURISTS COMING TO BERMUDA, NOT NECESSARILY THE NUMBERS. THE ALWAYS WELL-INFORMED BERMUDIANS ARE AWARE THAT ONE THRUST OF CAB CHAIRMAN KAHN'S POLICY IS TO GENERATE LOWER AIRFARES TO THE CONSUMER. HOWEVER, THE IDEA OF A NINETY DOLLAR ROUND-TRIP TICKET TO BERMUDA PURPORTEDLY CAUSES APPREHENSION HERE. OTHERS CONSIDER THAT, IN THE UN-

LIKELY EVENT THAT ALL FIVE AIRLINES OPERATE THE PHILADELPHIA ROUTE, THAT CONGESTION OF EQUIPMENT AND PASSENGERS AT PEAK ARRIVAL PERIODS (NOON TO 1600 HOURS) WOULD OVERTAX EXISTING FACILITIES.

3. ACTING GOVERNOR HAS KEPT BRITISH EMBASSY IN WASHINGTON INFORMED OF PUBLIC REACTION HERE, BUT HAS NOT RECEIVED ANY OFFICIAL COMMUNICATIONS FROM THE GOVERNMENT OF BERMUDA (GOB). IT IS LIKELY THAT GOB WILL REQUEST CONSULTATIONS PROVIDED BY ARTICLE 3(1) AND (2) OF BERMUDA II AGREEMENT WITH PARTICULAR REFERENCE TO JULY 23, 1977 LETTER OF U.S. DELEGATION CHAIRMAN BOYD TO U.K. WHICH ADDRESS THE PRECISE ISSUES CURRENTLY SURFACING HERE.

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** AIR ROUTES  
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**Decapton Date:** 01 jan 1960  
**Decapton Note:**  
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